GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services - Commercial Taxes Department –Smt M.V.Sarada Kumari the thenAssistant Commissioner (ST), Vijayawada-I Division, presently working as Assistant Commissioner (ST), O/o. CCST, Kunchanapalli, Guntur District - Allegations of corrupt practices, collecting mamoolsfrom Vijayawada whole sale dealers, colluding with the tax evading dealers, unholy nexus with the Accountants of the dealers, threatening the dealers those who are not yielding to mamools, abuse of official powers and regular complaints in newspapers and by certain individuals on Intelligence wing- Enquiry - Enquiry Officer appointed - Enquiry Report Submitted– allegations prima-facie proved – Disciplinary proceedings initiated under Rule 20 of Andhra Pradesh Civil Services (Classification Control and Appeal) Rules, 1991 – Article of Charges – Issued.

REVENUE (VIG.VI) DEPARTMENT

G.O.Rt.No.132 Dated:10.02.2023.
Read the following:

G.O.Ms.No.40, Revenue (VIG.VI) Dept., dated:10.02.2023.

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ORDER:

In continuation of the G.O. read above, it is proposed to hold an enquiry against Smt M.V.Sarada Kumarithe thenAssistant Commissioner (ST), Vijayawada-I Division, presently working as Assistant Commissioner (ST), O/o. CCST, Kunchanapalli, Guntur District, in accordance with the procedure laid down in Rule 20 of the said rules.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held, is setoutin the enclosed statement of articles of charge (Annexure-I) and theimputations of misconduct or misbehavior in support of each article ofchargeis enclosed (Annexure-II). A list of documents by which and a list ofwitnesses by whom the articles of charge are proposed to be sustained,arealso enclosed (Annexure-III & IV).

3. Smt. M.V. Sarada Kumarithe thenAssistant Commissioner (ST), Vijayawada-I Division, presently working as Assistant Commissioner (ST), O/o. CCST, Kunchanapalli, Guntur District is directed to submit within 15 days from the date of receipt of thisorder, a written statement of her defense.

4. Smt. M.V. Sarada Kumarithe thenAssistant Commissioner (ST), Vijayawada-I Division, presently working as Assistant Commissioner (ST), O/o. CCST, Kunchanapalli, Guntur District is informed that an inquiry will be held only in respect of thosearticles of charges are not admitted. She should, therefore, specificallyadmit or deny each article of charge.

5. Smt. M.V.Sarada Kumarithe thenAssistant Commissioner (ST), Vijayawada-I Division, presently working as Assistant Commissioner (ST), O/o. CCST, Kunchanapalli, Guntur District, is further informed that if she does not submit her written statementof defence on or before the date specified in para 3 above further action willbe processed based on the material available.

6. Attention of Smt M.V.Sarada Kumarithe thenAssistant Commissioner (ST), Vijayawada-I Division, presently working as Assistant Commissioner (ST), O/o. CCST, Kunchanapalli, Guntur District is invited to Rule 24 of the Andhra Pradesh civil services (conduct) Rules, 1964, under which no Government servantshall bring or attempt to bring any political or outside influence to bear uponany superior authority to further her interest in respect of matters pertainingto her service under the Government. If any representation is received on her behalf from another person in respect of any matter dealt within these proceedings it will be presumed that Smt. M.V. Sarada Kumarithe thenAssistant Commissioner (ST), Vijayawada-I Division, presently working as Assistant Commissioner (ST), O/o. CCST, Kunchanapalli, Guntur District is aware of such a representation and that it has been made at his/ her instance and action will be taken against him / her for violation of Rule 24 of the Andhra Pradesh CivilServices (Conduct) Rules, 1964..

The receipt of this order may be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

To,
Smt M.V.Sarada Kumari the thenAssistant Commissioner (ST), Vijayawada-I Division, presently working as Assistant Commissioner (ST), O/o. CCST, Kunchanapalli, Guntur District (w.e. Annexure-I to IV) through the Chief Commissioner of State Tax, A.P., Guntur District (with a request to serve the order on the individual and send the served copy with dated signature to Government).

Copy to:
The Chief Commissioner (ST), A.P., Kunchanapalli, Guntur District.
SF/SC

// FORWARDED :: BY ORDER //

SECTION OFFICER

ANNEXURE-I

STATEMENT OF ARTICLES OF CHARGE FRAMED AGAINST SMT M.SARADA KUMARITHE THEN AC (ST), VIJAYAWADA-I DIVISION, PRESENTLY AC (ST), O/o. CCST, KUNCHANAPALLI, GUNTUR DISTRICT

Article:-I

That Smt M.Sarada Kumarithe then AC (ST), Vijayawada-I Division presently working as AC (ST), O/o. CCST, Kunchanpalli, Guntur District worked in Intelligence Wing of Vijayawada-I Division from 20.07.2019 to 31.03.2021 during the Financial years 2019-20 and 2020-21.

That Smt M.Sarada Kumarithe then AC (ST), Vijayawada-I Division presently working as AC (ST), O/o. CCST, Kunchanpalli, Guntur District while working as AC (ST) in Intelligence Wing of Vijayawada-I Division

(i) Failed to follow the Act and Rules of APGST Act 2017, standard operating procedures of collection of taxes inforce in the Department, viz., such as issuing show cause notice, raising demands, levying penalties, intertest and collection of legitimate taxes from the dealers.

(ii) The intelligence wing of the Vijayawada-I Division obtained information of 131 dealers (Rs.150.22 Crore) in the months of November & December 2019 from Director, Insurance Medical Sciences relating to supply of medicines and surgical equipment to ESI hospitals within the State. Out of27 dealers in Vijayawada-I Division, that action was initiated by the charged officer only in 21 cases and the rest of 6 cases were untouched. Even in the 21 casesthe charged officer failed to take proper initiative to collect the dues from the dealers.

From the above it is evident that Smt MV Sarada Kumari the charged officer has acted in a grossly negligent manner violating rule 3 of AP CS (Conduct) Rules, 1964.

(iii) The Intelligence Wing obtained information from Irrigation department on the works executed by the water user Associations under Neeru-Chettu programme. As per the information, Rs.220.38 crworth of works are executed by these water user Associations in the State. Out of these, 211 Associations were identified as executed work worth of Rs.47.55 cr in erstwhile Krishna District which falls under Vijayawada-I Division jurisdiction. The tax that has to be collected from 211 associations i.e., Rs.6crore approximately was not collected. That the Government lost the revenue of Rs.6 crore approximately due to negligence in discharging the duties by the charged officer. The information pertaining to other Districts was also not communicated to the respective JC(ST)s.

Which resulted in approximately Rs.21 crore loss of revenue to the state exchequer.

From the above it is evident that Smt MV Sarada Kumari the charged officer has acted in a grossly negligent manner violating rule 3 of AP CS (Conduct) Rules, 1964.

(iv) That the charged officer failed to discharge the legitimate duties in enforcement of the Section 70, Section 67 and Section 71 of the

APGST Act, 2017 by not levying penalty and interest as per APGST Act 2017 in cases of suppression of sales thus resulted in huge loss of revenue to the state exchequer. In the following cases Violations were identified.

- Vikram Electricals: The dealer made supplies to APSPDCL, and not reported the turnover of Rs.76,68,662/-. On suppressed turnover penalty has to be imposed under APGST Act 2017. But no penalty was imposed.
- Silicon Systems: The case was left without untouched any tax and imposing penalty even though issued summons on 06.03.2021.
- Natarajan Rajendran: Even though there was clear suppression of turnovers, no penalty was imposed under APGST Act, 2017.
- Vankadhara Associates, Kamala Steels & KGN Traders:The Charged Officer not take any action under APGST Act, 2017 and the file was left inconclusive.
- Arihant Chocolates, Raguram Textiles, Jayalakshmi Steels and Diamond Agencies: Files were closed on the ground that the dealer paid the taxes voluntarily on issue of notice and the charged officer notimposed any penalty under of APGST Act, 2017.

The above actions and inactions ofSmt MV Sarada Kumari the thenAC (ST) while working in Intelligence Wing of Vijayawada-I Division resulted in huge revenue loss to the State exchequer.

Thus by theabove mentioned acts the charged officer exhibited lack of integrity, lack of devotion to duty and committed grave misconduct which is unbecoming of a Government servant in contravention to Rule 3 of A.P.C.S.(Conduct Rules)1964.

Article:-II

That the charged officer while working as the Assistant Commissioner (ST) of Vijayawada-I division failed in administering and in supervising the subordinate officers / staff worked under his control in discharge their function.

Thus by theabove mentioned acts the Charged Officer exhibited lack of integrity, lack of devotion to duty and committed grave misconduct which is unbecoming on the part of Government a servant in contravention to Rule 3 of A.P.C.S. (Conduct Rules)1964.

Article:-III

That the charged officer has vicarious responsibility for the misconduct/misbehavior and moral turpitude of the officers and staff working in intelligence wing, Vijayawada-I Division, but he failed to control such behavior of the officers and staff and thus acted in a grossly in disciplined manner unbecoming to be a Government Servant,

Thus, by his above-mentioned acts the charged officer exhibited lack of integrity, lack of devotion to duty and committed grave misconduct which is unbecoming on the part of a Government servant in contravention to Rule 3 of A.P.C.S. (Conduct Rules)1964.

Thus, by the above acts of commission and omission the charged officer has rendered himself liable for penal action under rule 9 of APCS (CCA) Rule 1991.

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

SECTION OFFICER

ANNEXURE-II

STATEMENT OF IMPUTATIONS OF MISCONDUCT OR MISBEHAVIOUR IN SUPPORT OF THE ARTICLES OF CHARGE FRAMED AGAINSTSMT M.SARADA KUMARITHE THEN AC (ST), VIJAYAWADA-I DIVISION, PRESENTLY AC (ST), O/o. CCST, KUNCHANAPALLI, GUNTUR DISTRICT

-oOo-

Articles:I to III

Government in Memo.No.REV01-/CCST0CCTE/32/2021-CT-II, Revenue (CT-II) Dept., Dt.14.07.2022 has appointed OSD, Revenue (CT) as enquiry officer for detailed enquiry into the allegations.

The enquiry report submitted by the OSD, Revenue established:

1. Intelligence Wing of Vijayawada-I Division obtained the data from the Director, Insurance Medical Services, regarding supply of medicines to ESI Hospitals by different dealers within the State and from outside the State for the years from 2017-18 to 2019-20. As per the information furnished by the Director, about 131 Dealers supplied medicines and surgical goods to the ESI Hospitals in A.P. during the said period valued Rs.127.13 crore of medicines and Rs.22.99 croreof surgical goods approximately. The Director, ESI also furnished information on the payments made to the suppliers along with their account numbers and IFSC Codes. It is noticed from the record that the Intelligence Wing had determined from the data that 27 suppliers belong to Vijayawada-I Division, 38to other Divisions of A.P. State and the rest belong to other states. As per the report of the JC(ST) there was no proof that the information regarding these 38 suppliers was communicated to the respective JCs(ST). Similarly there was no record that the information regarding the suppliers of other States was communicated to the Commissioners (ST) of respective states.
2. The Intelligence Wing of Vijayawada-I Division took up verification of 21 dealers out of the 27 suppliers and passed orders raising demands for suppression of turnovers and taxes. With regard to these 21 cases it may be noted that the information from the Director, ESI was received in the months of Nov'19 and Dec'19 and after verification with the returns filed by the dealers show cause notices were issued in the months of Mar'20 and Jun'20. However, in all these cases orders were passed in January'22 and in Apr'22. The huge gap of nearly two years between the receipt of information and crystalizing the demands on suppressed turnovers watered down the very effort of taking up verification of the data because in all most all these cases the orders were not served properly and only the minor part of demands raised was collected.
3. Out of these 19 cases, in one case i.e. M/s.Sairam Pharmaceuticals, the Dealer took registration for GST on 01.07.2017 but cancelled it on 02.07.2017 but the Dealer continued to supply medicines to ESI even after cancellation evading tax of Rs.67.68 lakhs on a turnover of Rs.8.54 cr. In another case namely M/s.Tirumala Medical Agencies the dealer cancelled his registration on 21.01.2020 soon after receipt of information by the Intelligence Wing from ESI. It

was determined in the Assessment order that the said dealer suppressed a turnover Rs.2.04 cr and a tax of Rs.24.56 lakhs.In another case namely M/s.Jercon Enterprises the registration was cancelled one month before passing of order raising a demand of Rs.1.12 cr. The dealer filed Appeal after five months on 05.09.2022. In one more case namely M/s.Bhuvaneswari Medicine House also the dealer cancelled registration on 31.01.2020 soon after receipt of information by the Intelligence Wing on supply of medicines to ESI. The tax evaded by this dealer is Rs.24.11 lakhs.Similarly M/s.Anjani Pharma cancelled the registration on 06.06.2019. The tax evaded by this dealer was Rs.13,28,382/-. In none of these cases or in other cases the Intelligence wing attached bank accounts and other properties provisionally under APGST Act, 2017 before passing orders or finally after passing orders and raising demands to protect revenue.

4. In addition to Medicines the dealers also supplied surgical goods to the ESI Hospitals to the tune of Rs.22.76 cr. Out of several dealers who supplied surgical goods to ESI Hospitals, only in two cases namely M/s.Sri Sai Surgical and Agencies and M/s.Maruti Medi needs show cause notices were issued on 13.04.2020 proposing a tax of Rs.11.89 lakhs and Rs.9.43 lakhs respectively. Thereafter no further action was initiated as reported by the JC(ST).
5. Soon after receipt of information as per APGST Act 2017 the course of actionis should verifythe data with the returns and wherever suppressions of turnovers and taxes are noticed prima-facie, issue show cause noticesfollowed immediately by provisionally attaching the properties (including bank accounts) of the dealers under Section 83 of the GST Act to protect revenues. The information of bank accounts of the dealers to which ESI remitted the sale proceedswas available on record. Howeverinaction of the Intelligence Wing had resulted in huge loss of the revenue to the State.
6. Failed to discharge the legitimate duties in enforcement of the Section 70, Section 67 and Section 71 of the APGST Act, 2017 by not levying penalty and interest as per APGST Act 2017 in cases of suppression of sales thus resulted in huge loss of revenue to the state exchequer. In the following cases Violations were identified.
    - Vikram Electricals: The dealer made supplies to APSPDCL, and not reported the turnover of Rs.76,68,662/-. On suppressed turnover penalty has to be levied under section 122 of APGST Act 2017. But no penalty was levied.
    - Silicon Systems: The case was left without levying any tax and penalty even though issued summons on 06.03.2021.
    - Natarajan Rajendran: Even though there was clear suppression of turnovers, no penalty was levied under section 122 of APGST Act, 2017.
    - Vankadhara Associates, Kamala Steels & KGN Traders: Not taken any action under APGST Act, 2017 and was left inconclusive.
    - Arihant Chocolates, Raguram Textiles, Jayalakshmi Steels and Diamond Agencies: Files were closed on the ground that the dealer paid the taxes voluntarily on issue of notice and not levied any penalty under section 122 of APGST Act, 2017.

7. And the above actions and inactions of Smt M.Sarada Kumari, AC (ST), Vijayawada-I Division presently working as AC (ST), O/o. CCST, Kunchanpalli, Guntur Districtwhile working in Intelligence Wing of Vijayawada-I Division resulted in huge revenue loss to the State exchequer.
8. Neeru-Chettu is a Government programme under which repairs to water bodies are done through water user Associations as contractors. These water user Associations was registered under GST Act. The Intelligence Wing obtained information from Irrigation department on the works executed by the water user Associations under Neeru-Chettu programme. As per the information, Rs.220.38 crore worth of works are executed by these water user Associations. Out of these, 211 Associations were identified as executed work worth Rs.47.55 cr in Krishna District. The Intelligence Wing, Vijayawada-I Division issued summons to the Water user Associations for production of books of Account. When there were no response from any of the Associations, the Intelligence Wing simply transferred the cases to the Circle Offices concerned without any follow up action. It is also not known whether the information pertaining to other Districts was communicated to the respective JC(ST)s. The Intelligence Wing, Vijayawada-I Division was negligent in taking forward the information to its logical end.
9. The staff working in Intelligence Unit generate summons without proper Authorisations and call for submission of information from the dealers.It was noticed that in some cases even though a number was assigned to a particular dealer for summons, there were no files relating to those dealers.

From the above it is seen that the Charged officers has committed certain omissions and commissions by which act has grossly neglected his duties thereby committing grave misconduct and exhibited lack of devotion to duty and thereby acted in a manner unbecoming of a Government Servant violating the provision of rule 3 of AP (CS) Conduct Rules.

Thus, by the above acts of commissions and omissions has the charged officer rendered herself for penal action under rule 9 of APCS (CCA) rules 1991.

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

K. Sreenu
SECTION OFFICER

ANNEXURE-III

LIST OF DOCUMENTS BY WHICH THE ARTICLES OF CHARGES FRAMED AGAINST SMT M.SARADA KUMARITHE THEN AC (ST), VIJAYAWADA-I DIVISION, PRESENTLY AC (ST), O/o. CCST, KUNCHANAPALLI, GUNTUR DISTRICTARE PROPOSED TO BE SUSTAINED

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1) Adverse News item published in a Telugu Newspaper against Intelligence Unit of Vijayawada-I Division on 04.04.2021.
2) CMO.Ref.11381/CMO-G/2019
3) Complaint dated 12.04.2021 filed by Sri Prasad.
4) Govt. Memo.No.REV01-/CCST0CCTE/32/2021-CT-II, Revenue (CT-II) Dept., Dt.14.07.2022 appointing Enquiry Officer.
5) Enquiry report dated 19.12.2022 of OSD, Revenue.

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

K. Sreenivasulu
SECTION OFFICER

ANNEXURE-IV

LIST OF WITNESS BY WHOM THE ARTICLES OF CHARGES FRAMED AGAINST SMT M.SARADA KUMARITHE THEN AC (ST), VIJAYAWADA-I DIVISION, PRESENTLY AC (ST), O/o. CCST, KUNCHANAPALLI, GUNTUR DISTRICTARE PROPOSED TO BE SUSTAINED

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1) OSD, Revenue (CT) Department, A.P., Secretariat, Velagapudi.

N. GULZAR
SECRETARY TO GOVERNMENT (CT)

// FORWARDED :: BY ORDER //

SECTION OFFICER